

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 9/23/2014	(3) CONTACT/PHONE Scott Duffield, Project Manager (805) 788-2316	
(4) SUBJECT Submittal of a resolution to continue emergency contracting for Nacimiento Water Pipeline repairs and increase the authorization of the Director of Public Works to execute contracts up to \$675,000. District 1.			
(5) RECOMMENDED ACTION It is recommended that the Board, acting as the San Luis Obispo County Flood Control and Water Conservation District, adopt the attached resolution, by 4/5 vote, which will waive the requirement of a competitive bidding process to continue emergency repair contract work on the Nacimiento water pipeline, and increase the authorization of the Director of Public Works to execute contracts up to \$675,000.			
(6) FUNDING SOURCE(S) Nacimiento Operating Fund (2200002000)	(7) CURRENT YEAR FINANCIAL IMPACT \$675,000	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 9/9/14, #25	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 1			

Reference: 14SEP23-BB-1

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Scott Duffield, Project Manager

VIA: Dave Flynn, Interim Director of Public Works

DATE: 9/23/2014

SUBJECT: Submittal of a resolution to continue emergency contracting for Nacimiento Water Pipeline repairs and increase the authorization of the Director of Public Works to execute contracts up to \$675,000. District 1.

RECOMMENDATION

It is recommended that the Board, acting as the San Luis Obispo County Flood Control and Water Conservation District, adopt the attached resolution, by 4/5 vote, which will waive the requirement of a competitive bidding process to continue emergency repair contract work on the Nacimiento water pipeline, and increase the authorization of the Director of Public Works to execute contracts up to \$675,000.

DISCUSSION

On June 2, 2014, the Nacimiento water pipeline had to be shut down due to a significant leak that was discovered in a remote section of Camp Roberts near the Nacimiento River. Teichert Construction, the original contractor for this segment, has had a representative on site to assess the leak condition but has taken no formal action. On July 8, 2014, your Board adopted a resolution which waived the requirement of a competitive bidding process to allow emergency work on the Nacimiento water pipeline, and authorized the Director of Public Works to execute contracts up to \$100,000.

On August 12, 2014, your Board approved a similar resolution which waived the requirement of a competitive bidding process to allow emergency work on the Nacimiento water pipeline and authorized the Director of Public Works to execute contracts in a collective amount of \$275,000; and, on August 26, and September 9, 2014, your Board approved similar resolutions which waived the requirement of a competitive bidding process to allow emergency work on the Nacimiento water pipeline and authorized the Director of Public Works to execute contracts in a collective amount of \$425,000. Investigations into the nature and extent of the leaks continue and necessitate the need to increase contract authority, under this emergency action, to \$675,000.

Although Nacimiento water provides a supplemental water source to numerous participating agencies throughout the region, the drought conditions in San Luis Obispo County have stressed the primary sources of water and further exacerbated the importance of having Nacimiento water available. The timely repair of the Nacimiento water pipeline and restoration of water deliveries to the participating agencies for distribution to their customers continues to be extremely urgent.

Demands have been made to the original pipeline contractor, Teichert Construction, Inc., but they have not responded to address the pipe conditions. District staff has sought to investigate cause and solutions to repair the river crossing. Subsequent remedial work on the pipeline crossing is expected to be brought to your Board in late fall as a formal bid package.

The initial leak was identified on July 9, 2014, in a segment of pipeline installed via horizontal directional drill methods under the Nacimiento River. This leak was temporarily repaired by contractors retained by the San Luis Obispo County Flood Control and Water Conservation District (District) under the emergency contracting resolution, but the repair band subsequently failed. A summary of the field work efforts thus far is shown in Attachment "A"

In order to continue to conduct investigative work in a timely manner, we request Board approval of the attached resolution, by a 4/5 vote, which will continue to waive requirements for conducting a competitive bid process, under emergency contracting procedures provided by Public Contract Code Section 22050 and allow the Director of Public Works to continue to engage sole source contractors to complete this work. As part of the resolution, the Director of Public Works would be granted authority for this specific action with collective contracting authority not to exceed \$675,000.

Public Works is returning to your Board at intervals of no less than fourteen days or at the next regularly scheduled meeting, whichever is later, in accordance with Public Contract Code Section 22050 to assure that the actions are necessary.

OTHER AGENCY INVOLVEMENT/IMPACT

The Nacimiento participating agencies that receive Nacimiento water for distribution to their customers include the City of Paso Robles, Templeton Community Services District, Atascadero Mutual Water Company, the City of San Luis Obispo, and County Service Area 10A. At a meeting of the Nacimiento Commission held August 28, 2014, the Commission supported the forensic investigation, repairing the leaking locations, and restoring the pipeline to delivery service.

The County Purchasing Agent has reviewed and concurs with the recommendation.

The Office of County Counsel has reviewed and approved the attached resolution as to legal form and effect.

FINANCIAL CONSIDERATIONS

The work is being funded from the Nacimiento Operating Fund. Sufficient budget exists, at this time, to cover the anticipated cost of the repair. Pursuant to the emergency contracting resolution, as of August 31, 2014, costs are at approximately \$420,000.

Final financial responsibilities will be determined upon further review with Teichert Construction.

RESULTS

Approval of the recommended action will authorize the Department of Public Works to engage contractors on an emergency basis, allow the Director of Public Works to execute contracts with outside parties for this work and restore the pipeline to delivery service. This will lead to a safer and well-governed community.

File CF 622.100.01

Reference: 14SEP23-C-4

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ATTACHMENTS

1. Vicinity Map
2. Attachment A – Chronology of Investigation and Repair Actions
3. Resolution to Continue Emergency Contracting for Leak Identification and Repair of the Nacimiento Water Pipeline Unit A1